



Ms. Elizabeth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

RECEIVED

FEB 14 2007

**PUBLIC SERVICE
COMMISSION**

E.ON U.S. LLC
State Regulation and Rates
220 West Main Street
PO Box 32010
Louisville, Kentucky 40232
www.eon-us.com

Rick E. Lovekamp
Manager - Regulatory Affairs
T 502-627-3780
F 502-627-3213
rick.lovekamp@eon-us.com

February 14, 2007

**RE: E.ON U.K. Ltd (formerly PowerGen plc), E.ON U.S. LLC
(formerly LG&E Energy LLC, formerly LG&E Energy Corp.),
Louisville Gas & Electric Company, and Kentucky Utilities
Company (Case No. 2000-095)
And
E.ON AG, E.ON U.K. Ltd (formerly PowerGen plc), E.ON U.S.
LLC (formerly LG&E Energy LLC, formerly LG&E Energy
Corp.), Louisville Gas & Electric Company, and Kentucky
Utilities Company (Case No. 2001-104)**

Dear Ms. O'Donnell:

Pursuant to the Commission's Order in Case No. 2000-095, the Companies do hereby file responses to filing requirements contained within that Order's Summary of Findings and Appendix B. Also, pursuant to the Commission's Order in Case No. 2001-104, the Companies do hereby file responses to filing requirements contained within that Order's Appendix A. An original and three (3) copies of these responses are enclosed. The Companies' response for Louisville Gas and Electric Company to Summary of Findings, No. 8 and Appendix B, Reporting Requirements to be filed Quarterly, No. 2, Case No. 2000-095, was filed separately with the Commission's Rates and Tariffs Division on February 14, 2007.

As noted in an advisory phone call to the Commission's Office of the General Counsel, the jurisdictional statements for Kentucky Utilities Company ("the KU Statements") will be delayed. The KU Statements for year-end require a detailed cost-of-service analysis covering three states, plus splits between Kentucky retail and wholesale jurisdictions. There are numerous internal checks and balances to assure accurate statements. These internal efforts are in-progress and, therefore the Companies anticipate the KU Statements for

Ms. Elizabeth O'Donnell

February 14, 2007

the year ending December 31, 2006 will be filed with the Commission no later than February 21, 2007.

Please confirm your receipt of this filing by placing the File Stamp of your Office with date received on the extra copy and returning it to me in the enclosed envelope.

Should you have any questions regarding the information filed herewith, or any questions about the delay in the filing of the jurisdictional statements for Kentucky Utilities Company, please call me.

Sincerely,

A handwritten signature in cursive script that reads "Rick E. Lovekamp".

Rick E. Lovekamp

Enclosures

c: Mr. David S. Samford, Office of the General Counsel
Mr. Isaac Scott, Financial Analysis Division
Ms. Joyce Spear, Rates and Tariffs Division

**E.ON U.K. LTD (formerly *POWERGEN, PLC*), E.ON U.S. LLC (formerly *LG&E ENERGY LLC*), LOUISVILLE GAS & ELECTRIC COMPANY, AND
KENTUCKY UTILITIES COMPANY**

CASE NO. 2000-095

Response to Summary of Findings, No. 8

“...the supplemental financial reports” of LG&E and KU “should be filed with the Commission within 45 days of the close of the reporting period.”

Response to Appendix B, Reporting Requirements, To Be Filed Quarterly, No. 3

“Twelve-month income statements and balance sheets. LG&E will separately report gas and electric operations, and KU will separately report Kentucky jurisdictional operations and other jurisdictional operations.”

On February 13, 2007, the Companies advised the Commission’s Office of the General Counsel that the requisite jurisdictional statements for Kentucky Utilities Company for the quarter ending December 31, 2006 (“the December Statements”) would be delayed. The December Statements will be filed no later than February 21, 2007.

The requisite jurisdictional statements for Louisville Gas and Electric Company, for the period ending December 31, 2006, were separately filed with the Commission’s Rates and Tariffs Division on February 14, 2007. Copies of these statements are attached.

Louisville Gas and Electric Company
Balance Sheet on a Total Company and Jurisdictional Basis
December 31, 2006

	<i><u>Electric</u></i>	<i><u>Gas</u></i>	<i><u>Total</u></i>
UTILITY PLANT			
Utility Plant	\$ 3,332,792,404	\$ 571,130,233	\$ 3,903,922,637
Construction Work in Progress	160,804,378	57,069,033	217,873,411
TOTAL UTILITY PLANT	<u>3,493,596,782</u>	<u>628,199,266</u>	<u>4,121,796,048</u>
Less: Accum. Prov. for Depr. Amort. Depl.	<u>1,549,119,764</u>	<u>217,470,838</u>	<u>1,766,590,602</u>
Net Utility Plant	1,944,477,018	410,728,428	2,355,205,446
Gas Stored Underground - Noncurrent	-	2,139,990	2,139,990
			4,123,936,038
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property	80,697	-	80,697
Less: Accum. Prov. for Deprec. and Amort.	63,360	-	63,360
Other Investments	<u>594,286</u>	<u>-</u>	<u>594,286</u>
TOTAL Other Property and Investments	611,623	-	611,623
CURRENT AND ACCRUED ASSETS			
Cash	5,275,320	1,327,909	6,603,229
Special Deposits	14,736,628	3,709,520	18,446,148
Working Fund	18,075	5,705	23,780
Temporary Cash Investments	4,360	1,098	5,458
Customer Accounts Receivable	59,425,006	24,913,634	84,338,640
Other Accounts Receivable	27,564,736	1,943,425	29,508,162
Less: Accum. Prov. for Uncollectible Acct.-Cr	1,161,973	487,152	1,649,125
Notes Receivable from Assoc. Companies	-	-	-
Accounts Receivable from Assoc. Companies	15,504,663	3,902,851	19,407,514
Fuel Stock	37,861,747		37,861,747
Plant Materials and Operating Supplies	25,245,296	17,684	25,262,980
Stores Expense Undistributed	4,430,128	3,103	4,433,231
Gas Stored Underground - Current	-	82,837,901	82,837,901
Prepayments	4,519,134	860,787	5,379,921
Misc. Current & Accrued Assets	911,030	-	911,030
Interest and Dividends Receivable	139,843	35,202	175,045
Rents Receivable	29,948	7,539	37,487
Accrued Utility Revenues	<u>29,819,000</u>	<u>22,901,000</u>	<u>52,720,000</u>
TOTAL Current and Accrued Assets	224,322,941	141,980,206	366,303,147
DEFERRED DEBITS			
Unamortized Debt Expenses	6,496,691	1,635,354	8,132,045
Other Regulatory Assets	126,007,146	37,612,557	163,619,703
Miscellaneous Deferred Debits	16,187,221	20,985,129	37,172,350
Unamortized Loss on Reacquired Debt	15,677,033	3,946,240	19,623,273
Accumulated Deferred Income Taxes	<u>50,643,958</u>	<u>5,441,201</u>	<u>56,085,159</u>
TOTAL Deferred Debits	215,012,050	69,620,481	284,632,531
TOTAL Assets and Other Debits	<u>\$ 2,384,423,632</u>	<u>\$ 624,469,103</u>	<u>\$ 3,008,892,735</u>

Louisville Gas and Electric Company
Balance Sheet on a Total Company and Jurisdictional Basis
December 31, 2006

	<u><i>Electric</i></u>	<u><i>Gas</i></u>	<u><i>Total</i></u>
PROPRIETARY CAPITAL			
Common Stock Issued	\$ 339,668,652	\$ 85,501,772	\$ 425,170,424
Preferred Stock Issued	57,127,082	14,380,093	71,507,175
Other Paid - In Capital	31,960,553	8,045,146	40,005,699
Other Comprehensive Income	(7,434,289)	(1,871,368)	(9,305,657)
(Less) Capital Stock Expense	1,537,219	386,950	1,924,169
Retained Earnings	<u>510,580,769</u>	<u>128,523,961</u>	<u>639,104,730</u>
TOTAL Proprietary Capital	930,365,548	234,192,654	1,164,558,202
LONG-TERM DEBT			
Long-Term Notes Payable to Associated Companies	179,752,500	45,247,500	225,000,000
Mandatory Redeemable \$5.875 Series Preferred Stock	15,978,000	4,022,000	20,000,000
Bonds	<u>458,811,466</u>	<u>115,492,534</u>	<u>574,304,000</u>
TOTAL Long - Term Debt	654,541,966	164,762,034	819,304,000
OTHER NONCURRENT LIABILITIES			
Accumulated Provision for Pensions and Benefits	<u>79,343,670</u>	<u>19,972,477</u>	<u>99,316,147</u>
TOTAL OTHER Noncurrent Liabilities	79,343,670	19,972,477	99,316,147
CURRENT AND ACCRUED LIABILITIES			
Notes Payable	-	-	-
Notes Payable to Associated Companies	54,184,594	13,639,406	67,824,000
Accounts Payable	130,057,859	32,738,309	162,796,168
Accounts Payable to Associated Companies	41,248,457	10,383,108	51,631,565
Customer Deposits	12,786,025	5,360,476	18,146,501
Taxes Accrued	22,868,101	5,756,384	28,624,485
Interest Accrued	4,474,039	1,126,210	5,600,249
Dividends Declared	724,075	182,265	906,340
Tax Collections Payable	1,078,663	271,522	1,350,185
Miscellaneous Current and Accrued Liabilities	<u>5,748,327</u>	<u>1,446,975</u>	<u>7,195,302</u>
TOTAL Current and Accrued Liabilities	273,170,140	70,904,655	344,074,795
DEFERRED CREDITS			
Customer Advances for Construction	8,488,834	8,317,559	16,806,393
Asset Retirement Obligations	21,067,380	7,363,322	28,430,702
Accumulated Deferred Investment Tax Credits	39,757,262	1,312,975	41,070,237
Other Deferred Credits	15,866,151	35,411,884	51,278,035
Other Regulatory Liabilities	50,579,339	4,791,232	55,370,571
Accumulated Deferred Income Taxes	<u>342,038,540</u>	<u>46,645,113</u>	<u>388,683,653</u>
TOTAL Deferred Credits	477,797,506	103,842,085	581,639,591
Electric/Gas adjustment to balance	(30,795,198)	30,795,198	
TOTAL Liabilities and Other Credits	<u>\$ 2,384,423,632</u>	<u>\$ 624,469,103</u>	<u>\$ 3,008,892,735</u>
	0	0	(0)

Louisville Gas and Electric Company
Income Statement on a Total Company and Jurisdictional Basis
12 Months Ending December 31, 2006

	<u><i>Electric</i></u>	<u><i>Gas</i></u>	<u><i>Total</i></u>
OPERATING REVENUES			
Residential Sales	271,519,761	247,714,377	519,234,138
Small (or Comm.)	226,954,760	103,371,282	330,326,042
Large (or Ind.)	133,987,622	16,385,754	150,373,376
Public Street and Highway Lighting	6,463,357	-	6,463,357
Other Sales to Public Authorities	62,880,535	18,596,992	81,477,527
Rate Refunds	-	-	-
Total Sales to Ultimate Consumers	<u>701,806,035</u>	<u>386,068,405</u>	<u>1,087,874,440</u>
Sales for Resale	223,953,455	1,142,593	225,096,048
Forfeited Discounts	2,120,450	2,075,264	4,195,714
Transportation Revenue	-	5,332,609	5,332,609
Miscellaneous Service Revenues	1,048,442	60,880	1,109,322
Rent from Electric/Gas Property	2,892,085	402,060	3,294,145
Interdepartmental Rents	-	107,268	107,268
Other Electric Revenue	10,840,061	-	10,840,061
Other Gas Revenue	-	40,500	40,500
Total Operating Revenues	<u>942,660,528</u>	<u>395,229,579</u>	<u>1,337,890,107</u>
OPERATING EXPENSES			
Operation Expense	554,827,218	336,702,177	891,529,395
Maintenance Expense	67,432,885	11,602,769	79,035,654
Depreciation Expense	100,975,629	17,006,641	117,982,270
Amort. & Depl. of Utility Plant	4,341,843	1,525,512	5,867,355
Amor. of Property Losses, Unrecovered Plant and Regulatory Study Costs	-	-	-
Regulatory Credits	(1,444,567)	(816,370)	(2,260,937)
Taxes Other Than Income Taxes	16,415,982	5,292,709	21,708,691
Income Taxes - Federal	49,730,505	12,924,289	62,654,794
- State	8,748,525	2,612,860	11,361,385
Provision for Deferred Income Taxes	46,003,190	6,597,040	52,600,230
(Less) Provision for Deferred Income Taxes - Cr.	(44,641,919)	(16,196,196)	(60,838,115)
Investment Tax Credit Adj. - Net	(848,553)	(173,108)	(1,021,661)
Gain from Disposition of Allowances	(1,004,606)	-	(1,004,606)
Accretion Expense	1,277,593	780,449	2,058,042
Total Utility Operating Expenses	<u>801,813,725</u>	<u>377,858,772</u>	<u>1,179,672,497</u>
Net Utility Operating Income	<u>140,846,803</u>	<u>17,370,807</u>	<u>158,217,610</u>
TOTAL Other Income			2,073,759
TOTAL Other Income Deductions			5,007,492
TOTAL Taxes on Other Income and Deductions			(2,211,444)
Net Other Income and Deductions			<u>(722,289)</u>
INTEREST			
Interest on Long - Term Debt			34,124,703
Amort. of Debt Disc. and Expenses			408,648
Amortization of Loss on Recquired Debt			1,021,632
Other Interest Charges			5,111,742
Total Interest Charges	<u>32,848,715</u>	<u>7,818,010</u>	<u>40,666,725</u>
Net Income Before Extraordinary Items			116,828,596
Extraordinary Items			-
Net Income			<u><u>116,828,596</u></u>

E.ON U.K. LTD (formerly POWERGEN, PLC), E.ON U.S. LLC (formerly LG&E ENERGY LLC), LOUISVILLE GAS & ELECTRIC COMPANY, AND KENTUCKY UTILITIES COMPANY

CASE NO. 2000-095

Response to Summary of Findings, No. 12

“The Applicants should file semi-annually a report detailing the adoption and implementation of best practices at LG&E and KU. The report should be filed 45 days after the close of the reporting period.”

The Companies Value Delivery Team Best Practice implementation process is complete as of the filing of the Value Delivery Best Practice Progress Reports of February 13, 2004 (“the February 2004 VDT Best Practice Reports”).

Any review or discussion of the February 2004 VDT Best Practice Reports should consider two important parameters. **First**, cost-to-achieve amounts were updated following the August 14, 2001 filing to reflect the numbers, as of December 31, 2001, for those individuals electing early retirement, for those persons selecting the severance package, and for those positions to be back-filled. **Second**, savings are cumulative and on-going from Year 3.

**E.ON U.K. LTD (*formerly POWERGEN, PLC*), E.ON U.S. LLC (*formerly LG&E ENERGY LLC*), LOUISVILLE GAS & ELECTRIC COMPANY, AND
KENTUCKY UTILITIES COMPANY**

CASE NO. 2000-095

Response to Summary of Findings, No. 16

“PowerGen and LG&E Energy should, every 6 months, provide reports on the actual costs of the LG&E Energy acquisition, as described in this Order. The reports should be as of June 30 and December 31...”

With the July 1, 2002, closing of E.ON AG’s acquisition of Powergen plc, which the Commission approved in its Order in Case No. 2001-104, there are no further changes to this schedule. Therefore, the schedule dated December 31, 2001, is the final report.

Please note that the Powergen values have not changed from the December 31, 2000 and June 30, 2001 reports and, therefore, conversions of British Sterling assume 1 British Pound Sterling = \$1.4938, the conversion rate at December 31, 2000. This response is in a format similar to that provided in Case No. 2000-095 Post-Hearing Data Request No. 6.

**E.ON U.K. LTD (*formerly POWERGEN, PLC*), E.ON U.S. LLC (*formerly LG&E ENERGY LLC*), LOUISVILLE GAS & ELECTRIC COMPANY, AND
KENTUCKY UTILITIES COMPANY**

CASE NO. 2000-095

Response to Appendix B, Reporting Requirements, To Be Filed Quarterly, No. 1

**“A report detailing the proportionate share of KU and LG&E in LG&E Energy’s
total operating revenues, operating and maintenance expenses and number of
employees.”**

The requested information, for the twelve-month period ending December 31, 2006 and
as of December 31, 2006, is attached.

E.ON U.K. LTD (formerly Powergen, PLC), E.ON U.S. LLC (formerly LG&E Energy LLC)
Case No. 2000-095 - Appendix B, Reporting Requirements To Be Filed Quarterly, No. 1
KU and LG&E Share of Selected E.ON U.S. LLC Financial & Operating Numbers
Income Statement Numbers are TME December 31, 2006
Employee Number is as of December 31, 2006

	KU	LG&E
Total Operating Revenues	49.9%	54.6%
Total Operating and Maintenance Expenses	41.3%	47.6%
Number of Employees	27.9%	27.3%

As of December 2005, LG&E Energy LLC was renamed E.ON U.S. LLC

**E.ON U.K. LTD (*formerly POWERGEN, PLC*), E.ON U.S. LLC (*formerly LG&E ENERGY LLC*), LOUISVILLE GAS & ELECTRIC COMPANY, AND
KENTUCKY UTILITIES COMPANY**

CASE NO. 2000-095

Response to Appendix B, Reporting Requirements, To Be Filed Quarterly, No. 2

“The number of employees of LG&E Energy and each subsidiary on the basis of payroll assignment.”

The requested information, as of December 31, 2006, is attached.

E.ON U.K. LTD (formerly Powergen, PLC), E.ON U.S. LLC (formerly LG&E Energy LLC)
Case No. 2000-095 - Appendix B, Reporting Requirements To Be Filed Quarterly, No. 2
E.ON U.S. LLC Employees by Payroll Assignment
As of December 31, 2006

E.ON U.S. LLC (Formerly LG&E Energy Corp)	0
E.ON U.S. Services Inc. (Formerly LG&E Energy Services Inc.)	1,037
Kentucky Utilities Company	940
Louisville Gas & Electric Company	922
LG&E Energy Marketing	0
Home Services	0
Enertech	0
LPI-Development	0
LPI-Power Generation	1
Western Kentucky Energy	472
CRC-Evans	0
Total E.ON U.S. Capital Corp.	473
Total E.ON U.S. LLC	3,372

As of December 2005, LG&E Energy LLC was renamed E.ON U.S. LLC